

Tohme Properties

**Offering Memorandum
New Rehabbed 8 Unit Apartment Building**

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Property Description

Living in Galveston: Coastal Charm with a Historic Touch

Galveston is a thriving coastal city with a unique blend of historical charm, strong economic drivers, and a growing demand for rental housing, making it an excellent location for multifamily property investments. 45 minutes from Houston, Galveston's tourism industry attracts over 7 million visitors annually, supporting a robust short- and long-term rental market, while major employers like UTMB and the Port of Galveston ensure a steady influx of professionals and students seeking housing.

With limited land availability, a favorable climate for appreciation, and proximity to Houston, Galveston offers investors a rare opportunity to capitalize on high occupancy rates, consistent rental income, and long-term value growth.

1811 21st Apartments

This boutique 8-unit building combines modern style with practical design, offering a coastal living experience that feels both refined and comfortable. Each apartment features sleek stainless steel appliances, granite countertops, and thoughtfully designed layouts that maximize natural light. Large windows create bright, airy interiors that feel spacious yet cozy, while open floorplans make everyday living and entertaining effortless. With a focus on both style and function, these homes are designed to meet the needs of students, professionals, and anyone seeking modern comfort in Galveston.

Ideally located near Galveston's most iconic destinations, this property puts you right where you want to be. UTMB is just minutes away, while the historic Hotel Galvez and the lively Pleasure Pier are within walking distance, offering entertainment, dining, and relaxation at your doorstep. Residents can also enjoy easy access to the Strand's shops, restaurants, and cafes, along with the scenic seawall and beach just blocks away. Blending convenience, charm, and location, this 8-unit community offers the perfect mix of modern living and island lifestyle.



Property Highlights



Tourism growth:

Galveston has experienced significant growth in its tourism sector over the past decade, solidifying its status as a premier destination on the Gulf Coast. Visitor numbers have risen from approximately 4.5 million in 2009 to over 8.1 million in 2022, marking an increase of more than 80%. This surge in tourism has led to a substantial economic impact, with visitor spending reaching \$1.2 billion in 2022, a 27% increase from the previous year.

UTMB growth:

Over the past decade, the University of Texas Medical Branch (UTMB) has experienced significant growth across various facets of its operations. UTMB has been in Galveston over 100 years and is one of the oldest medical school and hospital systems in Texas. In terms of student enrollment, UTMB's fall semester began with 3,200 students and nearly 900 faculty members, marking a 42% increase in enrollment since 2006. Financially, UTMB's endowment has also seen substantial growth.

Appreciation:

Over the past decade, Galveston has experienced significant growth in real estate values. Home appreciation rates have been among the highest in the nation, with properties appreciating by approximately 131.93%, averaging an annual increase of 8.78%. This robust appreciation places Galveston in the top 20% of U.S. cities for real estate value growth, highlighting its strong investment potential.

Resilient Market:

The healthcare sector is typically less affected by economic downturns, providing a stable source of rental income even during uncertain times. This, combined with the property's prime location and unique features, enhances its investment appeal.

Low Vacancy Rates:

With a target demographic that values quality housing and convenience, the property is likely to experience low vacancy rates. This minimizes the risk of income loss associated with prolonged vacancies.

Galveston Growth:

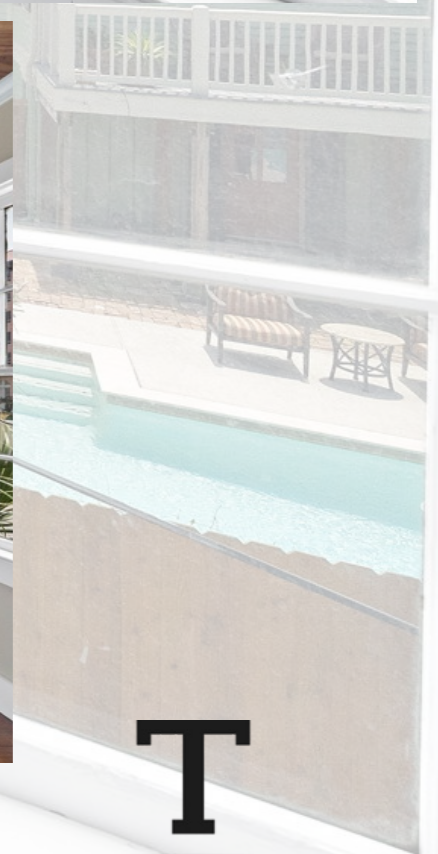
Port of Galveston Expansion: Construction has commenced on the port's fourth cruise terminal, a \$151 million project at Pier 16, featuring a 165,000-square-foot terminal and a \$55 million parking garage, slated to open in November 2025.

West Galveston Mixed-Use Development: A \$250 million mixed-use project is planned for the western end of the Seawall, aiming to enhance residential, commercial, and recreational spaces, further boosting the local economy.

Margaritaville: The \$250 million Galveston development will span 300,000 square feet and bring hundreds of jobs to the island.



Property Pictures



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Property Location



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Investment Summary & P&L

Revenue Details	
Address	1811 21st
Units	8
Revenue:	139k/year
Expenses	
Utilities:	6.6k/year
Insurance:	18.4k/year
Taxes:	7k/year
Total Expenses:	32k/year
NOI:	107.1k/year



P&L 2026 - projected

	July	August	September	October	November	December	January	February	March	April	May	June	Total
Income													
Rental Income	\$11,487.00	\$11,487.00	\$11,487.00	\$11,487.00	\$11,487.00	\$11,487.00	\$11,487.00	\$11,487.00	\$11,487.00	\$11,487.00	\$11,487.00	\$11,487.00	\$137,844.00
Pet fee	\$120.00	\$120.00	\$120.00	\$120.00	\$120.00	\$120.00	\$120.00	\$120.00	\$120.00	\$120.00	\$120.00	\$120.00	\$1,440.00
Total	\$11,607.00	\$11,607.00	\$11,607.00	\$11,607.00	\$11,607.00	\$11,607.00	\$11,607.00	\$11,607.00	\$11,607.00	\$11,607.00	\$11,607.00	\$11,607.00	\$139,284.00
Expenses													
Utilities													
Water / Sewage (monthly average)	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$3,000.00
Electric (monthly average for unit 6 (tenant pays electric flat fee through rent))	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$90.00	\$90.00	\$90.00	\$90.00	\$90.00	\$450.00
Trash (monthly average)	\$210.00	\$210.00	\$210.00	\$210.00	\$210.00	\$210.00	\$210.00	\$210.00	\$210.00	\$210.00	\$210.00	\$210.00	\$2,520.00
Lawnservice (monthly average)	\$50.00	\$50.00	\$50.00	\$75.00	\$75.00	\$75.00	\$75.00	\$75.00	\$75.00	\$75.00	\$50.00	\$50.00	\$775.00
Insurance													\$0.00
Flood	\$408.00	\$408.00	\$408.00	\$408.00	\$408.00	\$408.00	\$408.00	\$408.00	\$408.00	\$408.00	\$408.00	\$408.00	\$4,896.00
Windstorm	\$808.00	\$808.00	\$808.00	\$808.00	\$808.00	\$808.00	\$808.00	\$808.00	\$808.00	\$808.00	\$808.00	\$808.00	\$9,696.00
Fire / Liability	\$313.00	\$313.00	\$313.00	\$313.00	\$313.00	\$313.00	\$313.00	\$313.00	\$313.00	\$313.00	\$313.00	\$313.00	\$3,756.00
Taxes	\$583.33	\$583.33	\$583.33	\$583.33	\$583.33	\$583.33	\$583.33	\$583.33	\$583.33	\$583.33	\$583.33	\$583.33	\$6,999.96
Total Expenses	\$2,622.33	\$2,622.33	\$2,622.33	\$2,647.33	\$2,647.33	\$2,647.33	\$2,647.33	\$2,737.33	\$2,737.33	\$2,737.33	\$2,712.33	\$2,712.33	\$32,092.96
NOI	\$8,984.67	\$8,984.67	\$8,984.67	\$8,959.67	\$8,959.67	\$8,959.67	\$8,959.67	\$8,869.67	\$8,869.67	\$8,869.67	\$8,894.67	\$8,894.67	\$107,191.04



Rent Roll

Unit	Status	Unit Type	Rent	Total Charges	Move In	Lease end
1	leased	2/1	\$1675.00	\$1675.00	6/7/2023	6/30/2027
2	leased	2/1	\$1601.00	\$1601.00	05/15/2026	05/30/2027
3	leased	2/1	\$1489.00	\$1489.00	9/1/2025	8/31/2026
4	leased	2/1	\$1601.00	\$1601.00	06/05/2026	06/30/2027
5	leased	1/1	\$1274.00	\$1274.00	1/1/2026	12/31/2026
6	leased	1/1	\$1199.00	\$1199.00	8/1/2025	07/31/2027
7	leased	1/1	\$1374.00	\$1374.00	6/16/2025	07/30/2027
8	leased	1/1	\$1274.00	\$1274.00	3/3/2025	1/31/2027

